

## Notice of Intent to Certify Sole Source

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**To:** Interested Parties

**From:** David C. Johnson

**CC:** ITS Project Number 46177

**Date:** April 13, 2021

**Re:** Sole Source Certification Number 4384 to provide IBM Support Services Representative (SSR) Technical Service Hours for the Mississippi Department of Information Technology Services (ITS)

**Contact Name:** Robert Martinez

**Contact Phone Number:** 601-432-8002

**Contact E-mail Address:** [Robert.Martinez@its.ms.gov](mailto:Robert.Martinez@its.ms.gov)

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### Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4384 for the Mississippi Department of Information Technology Services (ITS), please be advised that ITS intends to award IBM Corporation as the sole source provider of IBM Support Services Representative (SSR) Technical Service Hours through June 30, 2023 in an amount not to exceed \$12,000.00. Please be advised that ITS will determine if additional support is within scope during the certification period and may increase the spending authority accordingly. Should IBM Corporation change its name during this certification period, then ITS will determine if a recertification is necessary. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

### Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

**IBM will provide SSR Technical Services for relocations and movement of equipment within the State Data Center. For IBM equipment to be moved and remain under warranty, the move must be completed by an IBM certified technician and recertified after the move. The customer's sole source certification request is included as Attachment A.**

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

**The SSR hours will be used as needed whenever IBM equipment needs to be moved or replaced. In the past, the hours have been used to move the IBM Mainframe and tape drives within the State Data Center and the Robert E. Lee Building. The customer's sole source certification request is included as Attachment A.**

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

**IBM has certified that it is the sole source provider of Project Management and Consulting for local Resiliency Relocation Services. If non-IBM technicians work on or moved the IBM equipment, it would compromise and void the IBM warranty and maintenance contracts. The Vendor's sole source certification letter is included as Attachment B.**

4. Explanation of why the amount to be expended for the services is reasonable.

**IBM offers SSR hours to be used as needed, saving money as ITS only pays for the actual hours used.**

5. Explanation of what the agency did to obtain the best possible price for these services.

**IBM offers two types of hourly rates for the SSR services. The Commercial/Relocation rate, if purchased outside a contract, has an hourly rate of \$350.00 to \$400.00. The State of Mississippi's hourly rate is \$240.00.**

#### **Schedule**

| <b>Task</b>                      | <b>Date</b>                        |
|----------------------------------|------------------------------------|
| First Advertisement Date         | 04/13/21                           |
| Second Advertisement Date        | 04/20/21                           |
| Response Deadline From Objectors | 04/28/21 at 3:00 P.M. Central Time |
| Notice of Award/No Award Posted  | Not before 04/29/21                |

#### **Project Details**

In 2013, ITS executed a Supplement to an existing Master Agreement with IBM Corporation to provide SSR Technical Services hours for IBM equipment relocation. ITS has determined a need to have a standing service contract with IBM for the relocation of equipment. For IBM equipment to be moved and remain under warranty, an IBM certified technician must complete the move.

On September 6, 2016, ITS issued sole source No. 3938 for IBM SSR Technical Services Hours, and executed a Supplement to the Master Agreement through September 30, 2017. On September 12, 2017, ITS issued Sole Source No. 4038 for these same services and received no objections. A Supplement to the Master Agreement was executed through September 2018 and subsequently extended through September 2020.

On February 5, 2019, ITS issued Sole Source No. 4163 for these same services, received no objections, and executed a Supplement to the Master Agreement through February 28, 2021. To date, ITS has received purchase approval for \$163,200.00 worth of SSR hours but has only spent \$23,677.50.

## Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the IBM Support Services Representative (SSR) Technical Service Hours should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to IBM Corporation.

### 1.1 Interested Party Information

1.1.1 Contact Name, Phone Number and email address

1.1.2 Company Website URL, if applicable

### 1.2 Objection to Sole Source Certification

1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.

1.3 Comments will be accepted at any time prior to Wednesday, April 28, 2021, at 3:00 p.m. (Central Time) to Robert Martinez at [Robert.Martinez@its.ms.gov](mailto:Robert.Martinez@its.ms.gov) or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Robert Martinez to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4 Interested Party responses should include the following information:

|   |
|---|
| <p><b>SUBMITTED IN RESPONSE TO</b><br/><b>Sole Source Certification No. 4384-46177</b><br/><b>Accepted until April 28,2021 @ 3:00 p.m.,</b><br/><b>ATTENTION: Robert Martinez</b></p> |
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If you have any questions concerning the information above or if we can be of further assistance, please contact Robert Martinez at 601-432-8002 or via email at [Robert.martinez@its.ms.gov](mailto:Robert.martinez@its.ms.gov).

Attachment A: Customer Sole Source Certification Request

Attachment B: Vendor Correspondence

Attachment C: Sole Source Procurement Overview



## Sole Source Certification Request

|  |                      |  |  |
|--|----------------------|--|--|
| <b>Project Title:</b> IBM Request of Services  |                      | <b>Stimulus (ARRA) Funds? Yes No <u>X</u></b>  |  |
| <b>Customer Contact Information</b>  |                      |  |  |
| <b>Agency/Public</b> Mississippi Department of Information Technology Services<br><b>Address:</b> 3771 Ridgewood Road, Jackson, MS 39211   |                      | <b>Contact Person:</b> Lynn Templeton<br><b>Phone:</b> 601-432-8054<br><b>Fax:</b> 601-713-6380<br><b>Email Address:</b> lynn.templeton@its.ms.gov |  |
| <b>MAGIC Customer Number</b> (only required from state agencies):<br><b>700000174 (ITS Data Services)</b>  |                      | <b>Division/Dept.:</b> 022<br><b>Handmail:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  |  |
| <b>Project Summary</b> <i>Narrative Description of Project</i> (include details of original acquisition if applicable):<br>ITS Data Services would like to enter into a standing service agreement with IBM for relocating equipment and machine upgrade.  |                      |  |  |
| <b>ITS Acquisition Approval (CP-1) should be effective through this date</b> (Please allow time for all vendor invoices to be paid):   |                      |  |  |
| <b>Cost Estimates</b><br><i>Fiscal Year</i>  | <b>Initial Costs</b> | <b>Ongoing Costs</b>   | <b>Time Constraints</b><br>Item Needed by: 04/01/21<br>Funds Expire: 06/30/23  |
| <b>FY21-23</b>   | <b>\$12,000.00</b>   |  | <b>Anticipated Lifecycle of Products/System</b> (i.e. estimated years of effective use): 2 years<br><br><b>Discuss Funding</b> (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds). All funding is definite and will be from ITS funds. |
| <b>Total</b>   | <b>\$12,000.00</b>   |  |  |
| <b>Acquisition Details</b>   |                      |  |  |
| <b>Items Requested</b>   | <b>Quantity</b>      | <b>Description</b>   | <b>Building Location(s)</b>  |
| <b>SSR Hours</b>   | <b>50</b>            | <b>Price per hour \$240.00</b>   |  |
| <b>Describe platform &amp; infrastructure</b> (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). For equipment or hosting outside the State Data Center, attach justification: Mainframe Hardware from the State Data Center—Eastwood, REL and Starkville locations.                            |                      |  |  |
| <b>Progress to Date:</b> What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? ITS Staff is aware and approves the hours needed to move IBM equipment. IBM has submitted a SOW for the services needed.   |                      |  |  |
| <b>Sole Source Certification</b> Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.  |                      |  |  |
| <b>Specific business requirements to be met by the requested products or services:</b><br>The SSR hours will be used as needed whenever IBM equipment needs to be moved or replaced. In the past, the hours have been used to move the IBM Mainframe and tape drives within the State Data Center and the Robert E. Lee Building.  |                      |  |  |
| <b>Explain why these products or services are the only ones that can meet your needs</b> (include unique features/special functionality):<br>IBM will provide SSR Technical Services for relocations and movement of equipment within the State Data Center. For IBM equipment to be moved and remain under warranty, the move must be completed by an IBM certified technician and recertified after the move.    |                      |  |  |
| <b>Explain why the source is the only entity that can provide the products or services</b> (Include other products/vendors researched or evaluated):<br>IBM has certified that they are the sole source provider of Project Management and Consulting for local Resiliency Relocation Services. If non-IBM hands touch the IBM equipment, it would compromise and void the IBM warranty and maintenance contracts. |                      |  |  |
| <b>Explain why the amount to be expended for the services is reasonable:</b><br>IBM offers SSR hours to be used as needed, saving money as ITS only pays for the actual hours used.  |                      |  |  |
| <b>Explain what your agency did to obtain the best possible price for the services:</b><br>IBM offers two types of hourly rates for the SSR services. The Commercial/Relocation rate if purchased outside a contract has an hourly rate of \$350.00 to \$400.00. The State of Mississippi's hourly rate offered is \$240.00  |                      |  |  |
| <b>Vendor's Certification of Sole Source attached:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Vendor's proposal submitted:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |                      |  |  |
| <b>MAGIC Vendor Code(s)</b> Vendor must be in MAGIC before a CP-1 can be issued.   |                      |  |  |
| <b>Place Order To</b><br><b>Vendor Name:</b> IBM Corp -- Atlanta<br><b>Vendor Address:</b> P.O. Box 534151 Atlanta, GA 30353-4151  |                      | <b>Remit To</b><br><b>Vendor Name:</b> IBM Corp -- Atlanta<br><b>Vendor Address:</b>   |  |

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13. In addition, I acknowledge that there is a charge for ITS procurement services associated with this request which will be billed to the requestor by ITS and that my agency/public university is responsible for these charges/costs.

David Johnson  
Name (Agency Head or Public University CIO)/Title

David Johnson 4/9/2021  
Signature Date



March 16, 2021, 2021

Purchasing Division  
State of Mississippi  
239 Lamar St RBT E LEE BLDG 1<sup>st</sup> Floor Jackson, MS 39201-1328

To whom it may concern:

7100 Highlands Parkway Smyrna, GA 30082

IBM is the sole provider of Project Management and Consulting for local Resiliency Relocation Services. The justification for the State of Mississippi would be, if non-IBM hands touch the IBM equipment it would compromise and void the IBM warranty and maintenance contracts. If non-IBM contractors were to operate on and move the equipment and its systems were inoperable at its destination, the warranty and maintenance coverages would not fix the equipment. If IBM does the work there is no compromise to your coverages.

IBM Machines on IBM HW Maintenance requires IBM labor to maintain its coverages and warranty. Please remit your purchase order to IBM:

IBM  
Attention: RICK PORUBIANSKY  
Email Address: rmporubi@us.ibm.com

If you require additional assistance or further information, please contact me at the number below. Thank you for doing business with IBM as your business is greatly appreciated.  
Sincerely,

Rick Porubiansky  
Site and Facility Services  
770-863-1786

e-Signed by Rick Porubiansky  
on 2021-03-22 14:20:56 GMT

2021-03-22

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website ([www.its.ms.gov](http://www.its.ms.gov)).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented

in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.